

CALIFORNIA MEDICAL ASSISTANCE COMMISSION

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**CALIFORNIA MEDICAL ASSISTANCE COMMISSION**

State Capitol, Room 113
Sacramento, CA

Minutes of Meeting
November 29, 2007

COMMISSIONERS PRESENT

Cathie Bennett Warner
Michele Burton, M.P.H.
Wilma Chan
Jerome Horton
John Longville
Vicki Marti
Nancy McFadden

COMMISSIONERS ABSENT**EX-OFFICIO MEMBERS PRESENT**

Nancy Hutchison, Department of Health Care Services

EX-OFFICIO MEMBERS ABSENT

Thomas Williams, Department of Finance

CMAC STAFF PRESENT

Keith Berger, Executive Director
Tacia Carroll
Paul Cerles
Denise DeTrano
Holland Golec
Mark Klobberdanz
Katie Knudson
Genaro Rodriguez
Steve Soto
Becky Swol
Mike Tagupa
Mervin Tamai
Karen Thalhammer

I. Call to Order

The November 29, 2007 open session meeting of the California Medical Assistance Commission (CMAC) was called to order by Chair Cathie Bennett Warner. A quorum was present.

II. Approval of Minutes

The November 8, 2007 meeting minutes were approved as prepared by CMAC staff.

III. Executive Director's Report

Keith Berger, Executive Director, began his report by explaining that CMAC staff has been preparing for the initiation of the third year of negotiations for the Distressed Hospital Fund (Fund). He was pleased to announce that staff is almost ready to mail out the letters to all Selective Provider Contracting Program (SPCP) contract hospitals notifying them that CMAC is initiating this year's process. Staff will be sending the letters out next week. The proposed timeline calls for hospital proposals to be submitted by the January 4, 2008.

As the Commission has the last two years, Mr. Berger noted, CMAC will be scheduling an opportunity for public comment on the process and focus of the Fund. CMAC is targeting the January 10, 2008 Commission meeting for that discussion. During the next couple of weeks, staff will make sure appropriate organizations are notified of this agenda item and are also invited to submit written comments to CMAC for Commissioner consideration.

Mr. Berger informed the Commissioners that CMAC's proposed schedule allows staff to finalize the hospitals and amounts in January and February and provide recommendations to the Commissioners for review and action in early March.

Mr. Berger reminded the Commissioners that this would be the first component of distressed funding. The inclusion of any stabilization dollars, the second component of the distressed funding, will depend on the final calculations by the Department of Health Care Services (DHCS) next spring.

Mr. Berger mentioned last year that CMAC was unable to start the Distressed process until February. This year staff hopes to be done in March. Mr. Berger said he appreciates the support that CMAC has received from the DHCS and the work they have done to be able to assure us that we can move ahead with the first component of the Fund on an earlier timeline.

Mr. Berger noted that in today's closed session, there are 18 hospital and managed care contract amendments before the Commissioners for review and action, as well as a significant number of updates and key discussions regarding current hospital and managed care negotiations.

IV. Department of Health Care Services (DHCS) Report

Nancy Hutchison, DHCS, informed CMAC that she has been involved in developing the analyses of the hospital fee and reimbursement aspects of the Governor's health care reform proposal. She noted that DHCS had reached an agreement with the hospital associations on both issues, and that Californians would have a chance to vote on them as ballot initiatives next November.

Regarding the 2005 Health Coverage Initiative, which is part of the hospital financing waiver, Ms. Hutchison informed CMAC that DHCS recently had a convening with the University of California Los Angeles (UCLA) School of Public Policy, who will be evaluating

this program to give DHCS information on the impact of this initiative in all 10 counties. She noted that representatives from all 10 counties were present, and that this event was well attended and received. It was sponsored by The California HealthCare Foundation. Ms. Hutchison also noted that this evaluation process will be difficult because there will be 10 separate Coverage Initiative Programs instead of one statewide program. DHCS and UCLA have timelines set in place to submit their draft evaluation plan.

Regarding the State Plan Amendment (SPA) on the cost of physician services, Ms. Hutchison noted that there has been a lot of positive feedback and communication with Centers for Medicare and Medicaid Services (CMS). She noted that CMS is back on the clock and is expected to make a decision no later than December 24, 2007.

Ms. Hutchison indicated that since the SPA has been pending for such a long period, and there is a two-year federal claiming limit, DHCS went ahead and submitted a few early claims in order to preserve their claiming rights, including \$74 million for the first half of the demonstration waiver for fiscal year 2005.

Under the hospital financing waiver, Ms. Hutchison informed CMAC, Certified Public Expenditure (CPE) hospitals are able to claim some non-hospital costs as well. DHCS has been working closely with CMS on a cost finding methodology for uninsured clinic and uninsured psych costs. She noted that a \$2 million claim has been preserved for these activities.

In response to a question asked by Chair Bennett Warner, Ms. Hutchison discussed the current timeline for the disbursement of SB 474 funds to Los Angeles County to help address the Martin Luther King, Jr. – Harbor Hospital closure. The money is not available until January and the process has not been worked out yet.

In response to a question asked by Commissioner Chan, Ms. Hutchison informed CMAC that the new federal rules on limiting services are not out yet and so there is currently no way to estimate the impact on Medi-Cal's Targeted Case Management service.

V. New Business/Public Comments/Adjournment

There being no further new business and no comments from the public, Chair Bennett Warner recessed the open session. Chair Bennett Warner opened the closed session, and after closed session items were addressed, adjourned the closed session, at which time the Commission reconvened in open session. Chair Bennett Warner announced that the Commission had taken action on hospital and managed care contracts and amendments in closed session. The open session was then adjourned.